UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

CWA

JUL 28 1987

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Transmittal of OAQPS CEMS Policy and FY 1988 Guidance

FROM: Gerald A. Emison, Director
Office of Air Quality Planning and Standards

TO: Air and Waste Management Division Director
Region II

Air Management Division Directors
Region I, III and IX

Air, Pesticides and Toxics Management Division Directors
Regions IV and VI

Air and Toxics Division Directors
Regions VII, VIII and X

Air and Radiation Division Director
Region V

Attached is the OAQPS policy statement and FY 1988 guidance on CEMS. The Regional Offices commented on the draft document, which provided many useful changes and additions to this policy statement. In particular, the "Policy" section more precisely defines how priorities should be established so that source categories of greatest environmental concern, including NESHAPs, are addressed. This should help with allocation of resources to ensure that the base CEMS program requirements are met. Other changes include clarified references to related guidance documents and policy statements and several editorial changes to make the statement "read" more clearly.

Several comments were received which have not been included in this document. These require longer term discussion and resolution among Headquarters and the Regional Offices. One of these issues is whether the inspection

frequency guidance should be revised to allow greater substitution of EER review for on-site inspections. A Compliance Monitoring Strategy Workgroup has been established which will address possible revisions to the guidance. For information, contact Howard Wright of SSCD at FTS 475-7034.

Another long-term issue is the development of minimum national criteria for determining follow-up action to be taken as a result of EER review. This would add consistency to Regional enforcement activity and to requirements which must be met by companies that operate similar sources in different Regions. SSCD may, in the near future, develop a comprehensive continuous compliance strategy that will address this and other similar issues. Also, SSCD will be providing clarification as to how the mid-year review of data in the CEM subset will be conducted.

Finally, it must be stressed that this is a generic policy and guidance which is applicable to all source categories and for all pollutants where CEMS can be used to monitor continuous compliance. If properly implemented, it will result in more efficient utilization of compliance resources and more effective enforcement of emission requirements.

Attachment

cc: Darryl Tyler, CPDD
Jack R. Farmer, ESED
Richard Rhoads, MDAD
John R. O'Connor, SASD
Don R. Clay, OAR
Bruce Armstrong, OAR
Joe Lees, OA
Paul M. Stolpman, OPAR
Michael S. Alushin, AED
Alan W. Eckert, OGC
CEMS Topic Coordinators

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 28 1987

OFFICE OF
AIR AND RADIATION

SUBJECT: CEMS Policy and FY 1988 Guidance

APPROVED: Gerald A. Emison, Director
Office of Air Quality Planning and Standards

DATE:

Purpose

This states the OAQPS policy, which is effective immediately, on the use of Continuous Emission Monitoring Systems (CEMS) data and provides specific guidance as to how that policy should be implemented. It also provides instructions for meeting FY 1988 Strategic Planning and Management System (SPMS) and Regional oversight requirements.

Definition

CEMS is one of several self-monitoring techniques used by regulatory agencies to monitor continuous compliance of sources. Sampling and analysis of sulfur in fuel to assess SO_2 compliance of sources and recordkeeping for assessment of compliance with volatile organic compound (VOC) emission limitations are two other self-monitoring techniques.

Information

As the air compliance program resolves initial compliance problems and sources install control equipment, efforts to assure continuous compliance become increasingly important. Based on the review of State and Regional programs that promote the use of CEMS, OAQPS has found that CEMS is a valuable tool for assuring continuous compliance. Self-monitoring techniques should be integrated into the air compliance program as a means of assessing stationary source continuous compliance with air quality regulations.

Some of the States which effectively use CEMS data in compliance monitoring and in supplementing or supporting enforcement actions are Washington (with SO_2 and total reduced sulfur data) and Tennessee (with opacity monitoring data). Ohio has a comprehensive program for requiring CEMS in operating permits which has resulted in installation of CEMS on a wide variety of source types. Pennsylvania and Indiana have highly structured CEMS programs, including penalty programs based on reported excess emissions.

Policy

OAQPS is committed to promoting, encouraging and utilizing CEMS data as a compliance assessment measure. Our Office is also committed to the use of CEMS in direct enforcement where CEMS is the compliance test method and for supporting enforcement where CEMS is not the compliance test method. OAQPS encourages the use of CEMS data by States in compliance monitoring and in supplementing or supporting enforcement actions. If it is technically feasible, CEMS requirements should be incorporated into NSR preconstruction reviews, operating permits and resolutions of enforcement actions including consent decrees and administrative orders.

CEMS should be used to assure continuous compliance of sources in both attainment and nonattainment areas. Resources should be allocated to monitor continuous compliance of sources in areas where the greatest environmental benefit is likely to occur. Therefore, priority should be given to NESHAPS sources subject to continuous monitoring requirements (currently 40 CFR 61, subparts F, N, O and V) and to SIP (including major and minor NSR sources) and NSPS sources in nonattainment areas (for the pollutant for which the area is in nonattainment). Next, CEMS should be used to monitor the continuous compliance of NSPS and PSD sources in attainment areas. Sources with excessive emission limit excursions identified by CEMS data should be targeted for follow-up action (on-site inspection or §114 letter). Where CEMS is the compliance test method, CEMS data should be used to identify significant violators. These sources will then be tracked in accordance with the "Timely and Appropriate Enforcement Response Guidance," issued by OAR on April 11, 1986.

There are two different types of CEMS data - direct compliance monitoring data and excess emissions monitoring data. Where CEMS is the compliance test method, the status of the source is established and documented by CEMS data. Compliance status determined by CEMS data should be coded in the Compliance

Data System (CDS). Violations identified by direct compliance monitoring data require appropriate enforcement action including the assessment of penalties. There are plans to modify the CEM Subset of CDS to allow for entry of direct compliance monitoring data. Use of CEMS data for direct enforcement where CEMS is the compliance test method is discussed in "Guidance: Enforcement Applications of Continuous Emission Monitoring System Data," issued by OAQPS and OECM on April 22, 1986.

The second type of CEMS data is where CEMS is not the compliance method. In these cases, CEMS data should be used to monitor the continuous compliance of sources and to initiate follow-up action including on-site inspections, requesting further information, and issuing a notice of violation.

Future Action

The FY 1988 SPMS requires determination and reporting of the compliance status of SO_2 sources subject to CEMS requirements. Specifically, these sources should be identified and their status determined with respect to CEMS installation, certification, and report submission. While SO_2 sources are emphasized in SPMS, this measure should be carried out for all sources with CEMS requirements.

An OAQPS Regional Oversight System will be implemented in FY 1988. This system will be a broader management system than SPMS and will include tracking all NESHAPs sources with CEMS requirements and all SIP and NSPS sources with CEMS requirements in nonattainment areas. NSPS sources with CEMS requirements in attainment areas will also be tracked. As part of the overall compliance monitoring program, it is expected that the Regional Offices will review Excess Emission Reports (EERs) and enter EER summary data into the CEM Subset. It is a minimum requirement that States with delegated authority provide EPA with the information needed to permit entry of summary EER data into the CEM Subset. Guidance on the minimum reporting requirements to the CEM Subset was issued on July 8, 1987.

Headquarters will conduct a mid-year review in FY 1988 of the data in the CEM Subset. The purpose of this review will be to assure that sources with continuous compliance problems are identified, are receiving proper follow-up attention, and if appropriate, have been placed on the significant violators list. Our findings and recommendations will be reported to the Regional Offices.

As part of our FY 1987 program, an electronic bulletin board has been developed. In FY 1988, this bulletin board will include a summary of NSPS and SIP source categories with CEMS requirements and a list of applicable CEMS guidance available.

Conclusion

CEMS is an important technique for monitoring the continuous compliance of stationary sources. It should be an expanding component of the air compliance program. Evaluation of CEMS data has been shown to be effective for identifying sources with continuous compliance problems and has allowed agencies to utilize their compliance monitoring resources more effectively.

CEMS Policy Statement - Comments and Revisions to 6/26/87 DRAFT

Comment	Proposed Revision
Region I:	
1. - unclear how priorities for monitoring sources should be set	- revise "Policy" section, 3rd ¶, p2 to clarify how priorities should be set and resources allocated (see R II, VI, IX)
- enforcement actions should be prioritized according to environmental benefit; discretion to set priorities should be left to RO's	
2. - assume that Regional Oversight System will be a pull from CDS with no additional reports required from ROs	- no changes necessary to policy statement; clarify in transmittal memo
Region II:	
1. - priority to monitor sources should be to NESHAP sources first	- change "Policy" section, 3rd ¶, p2, to reflect this (see R I, VI, IX)
- statement on adding CEMS to permits is good, but in wrong place	- move to "Policy" section, 2nd ¶, p2
- should cite "timely & appropriate" guidance precisely	- make change to, 3rd ¶, p2
2. - what will SSCD be looking for in mid-year review?	- discuss in transmittal memo
- how can bulletin board be accessed	- asked Mark Antell to call Ann Zownir
Region III:	
- none	- none necessary

Comments	Proposed Revision
Region IV:	
1. - review of EERs will take approx. 400 hrs/qtr; to alleviate burden, should stress that EER review could serve as alternate to on-site inspections (see Inspection Frequency Guidance)	- do not make changes to guidance; send memo to Region IV reminding them that they have been allocated 800 hrs/qtr. for EER review; refer to guidance on substitution of EERs for on-site inspections and discuss possible revisions to be made in future; also mention as subject for further discussion in transmittal memo
- recommend exemption requirement should be modified so that EERs would not be required for all pollutants in certain cases	
- SSCD should develop a list of NSPS subparts and SIP categories that might qualify; use bulletin board to transmit	
- alleviate EER review burden by requiring sources to submit EER summaries	
2. - not clear whether CEMS data should be used to designate significant violators and to assess penalties when it is <u>not</u> the compliance method	- add reference to Enforcement Guidance in 3rd ¶, p2
3. - SSCD should set minimum criteria to trigger follow-up action after review of an EER	- mention as subject for further discussion in transmittal memo
4. - Regional Oversight System should include NESHAP sources	- add "NESHAPS" to 4th ¶, p3 describing oversight system
Region V:	
1. - "good policy statement"	- no changes necessary
2. - mention prospective modification to Inspection Frequency Guidance to allow greater substitution of CEMS data review for on-site inspections	- any changes to guidance will not be able to be made quickly and reference to them in policy statement would delay and confuse its implementation; mention in transmittal memo as a subject for further discussion

Comment	Proposed Revision
3. - 10 suggested editorial changes	- incorporate 6 completely and 3 in part
Region VI:	
1. - guidance would require that most of 1500 NSPS, PSD and SIP sources be tracked; ROs should be given discretion to prioritize sources to be tracked	- revise "Policy" section, 3rd ¶, p2, to clarify how priorities should be set and resources allocated (see RI, II, IX)
2. - guidance should specify minimum criteria before enforcement action is initiated	- mention in transmittal memo as subject for further discussion
Region VII:	
1. - no specific comments	- no changes necessary
- discussed several points in memo, e.g., mid-year review, minimum reporting requirements	
Region VIII:	
1. - add specificity to discussion on use of CEMS in direct enforcement; give examples of source categories	- add reference to Enforcement Guidance in 1st ¶, p3, (the Enforcement Guidance already discusses use of CEMS data where it is the compliance method; this policy statement is really more concerned with use of CEMS data for other source categories)
Region IX:	
1. - disagree with priorities and mandatory actions on SO_2; SO_2 not major concern, NO_x is problem; SCAQMD refuses to accept grant $ to provide minimum SO_2 EER information	- revise "Policy" section, 3rd ¶, p2, to clarify how priorities should be set; makes this more of a "common sense" policy (see R I, II, VI)
- RO concentrates on NSPS requirements and NO_x emissions	- important to remember that policy is generic and not limited to SO_2; mention this in transmittal memo

Comments	Proposed Revision
- NO_x is acid deposition precursor in Region; most SO_2 sources have been cleared up already	
Region X:	
1. - think it is a weak policy statement; need to strengthen to expand CEMS as compliance method in more source categories	- good comment, but not appropriate to this policy statement; may be resolved by workgroup on CEMS as compliance method
2. - "personal concern" that CSA is incompatible with 24 hr and shorter standard	- no change to policy but should be discussed in future
OAR:	
- looks good, no comments	- none necessary

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JUN 26 1987

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: CEMS Policy and FY 88 Guidance

FROM: John S. Seitz, Director
Stationary Source Compliance Division
Office of Air Quality Planning and Standards

TO: Air Management Division Directors
Regions I, III and IX

Air and Waste Management Division Director
Region II

Air Pesticides and Toxics Management Division
Directors
Regions IV and VI

Air and Toxics Division Directors
Regions VII, VIII and X

Air and Radiation Division Director
Region V

In my memorandum of April 24, 1987, which transmitted the CEMS Technical Forum Report, I stated that SSCD has been designated as the lead to develop an OAQPS policy statement on the usage of CEMS. Attached is a draft copy of that policy.

The policy statement incorporates some Regional input and has been reviewed by the Director and senior staff of OAQPS. However, I would like to receive your comments on it before it is finalized. Please provide your comments to me or to Gerard C. Kraus of my staff by July 8. Mr. Kraus may be reached at FTS 382-2835.

Attachment

DRAFT

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Air and Radiation Division Director
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Purpose

This memorandum clarifies the OAQPS policy on the use of Continuous Emission Monitoring Systems (CEMS) data and provides specific guidance as to how that policy should be implemented. It also provides instructions for meeting FY 1988 Strategic Planning and Management System (SPMS) and Regional oversight requirements.

Definition

CEMS is one of several self-monitoring techniques used to monitor continuous compliance. Fuel sampling and analysis used to assess the compliance of SO_2 sources and recordkeeping requirements for VOC sources are two other self-monitoring techniques. Self-monitoring techniques should be integrated into the air compliance program as a means of assessing continuous compliance with air emission regulations.

Information

As the air compliance program resolves initial compliance problems and sources install control equipment, efforts to assure continuous compliance become increasingly important. OAQPS has found that CEMS is a valuable tool for continuous compliance based on the review of State and Regional programs that promote the use of CEMS.

Some of the States which regularly use CEMS data in compliance monitoring and in supplementing or supporting enforcement actions are Washington (with SO_2 and total reduced sulfur data) and Tennessee (with opacity monitoring data). Ohio has a comprehensive program for requiring CEMS in operating permits. If it is technically feasible, CEMS requirements should be incorporated into operating permits and resolutions of enforcement actions including consent decrees and administrative orders. Pennsylvania and Indiana have highly structured CEMS programs including penalty programs based on excess emissions.

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CEMS should be used to assure continuous compliance of sources in both attainment and nonattainment areas. Priority should be given to monitor the continuous compliance of SIP (including major and minor NSR sources) and NSPS sources in nonattainment areas. Also, CEMS should be used to monitor the continuous compliance of NSPS and PSD sources in attainment areas. Sources with excess emissions identified by CEMS data should be targeted for follow-up action. CEMS data should also be used to designate significant violators. Such sources should then be tracked in accordance with "timely and appropriate" guidance.

There are two different types of CEMS data - direct compliance monitoring and excess emission monitoring. Where CEMS is the compliance method the status of the source is established and documented by CEMS data. That status should be coded in the Compliance Data System (CDS). Any violation should be addressed by appropriate enforcement action including the assessment of penalties. There are plans to modify the CEM Subset of CDS to allow for entry of direct compliance monitoring data. The second type of CEMS data is where CEMS is not the compliance method. In these cases, CEMS data should be used to monitor the continuous compliance of sources and to initiate follow-up enforcement action including targeting inspections, requesting further information, and issuing a notice of violation.

DRAFT

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problems have been identified, have received proper follow-up attention, and if appropriate, have been placed on the significant violators list. Our findings and recommendations will be reported to the Regional Offices.

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